



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029  
February 5, 2009

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Re: Final Environmental Impact Statement for the Sparrows Point LNG Terminal and Pipeline Project (OEP/DG2E/Gas 2, Docket Nos. CP07-62-000, Mid-Atlantic, L.L.C. Docket No. CP07-63-000, FERC/EIS-0222F), CEQ # 20080504

Dear Ms. Bose:

In accordance with Section 102(2)(C) of the National Environmental Policy Act (NEPA), 42 U.S.C. § 4332(2)(C), Section 309 of the Clean Air Act, 42 U.S.C. § 7609, and the Council on Environmental Quality (CEQ) regulations, 40 CFR Parts 1500-1508, the United States Environmental Protection Agency (EPA), Region III (EPA) has reviewed the Final Environmental Impact Statement (FEIS) for the above referenced project. The FEIS was prepared to assess the potential impacts that would result from the construction and operation of a liquefied natural gas (LNG) import terminal and natural gas pipeline proposed by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC (collectively referred to as AES).

We understand that on January 15, 2008, FERC approved, with conditions, the proposed LNG terminal and natural gas pipeline. Several of the conditions of the FERC approval require AES to continue coordination with federal and state agencies, including EPA, on developing means to minimize and mitigate potential adverse environmental impacts. We continue to have concerns over the potential adverse environmental impacts of the proposed project and look forward to continuing to work with AES as appropriate under the terms of FERC's approval. In that regard, we would like to note that we are particularly concerned about impacts to aquatic resources, and we will work with AES as they develop a final Consolidated Dredge Plan and an Aquatic Resources Mitigation Plan. More specifically, we look forward to reviewing a complete delineation of wetlands along the entire pipeline route and proposals for mitigating wetlands impacts, as well as more detailed information on the disposal of the dredged material.

With regard to the analysis of environmental justice issues, we note that the FEIS concluded that the project would not cause disproportionate, adverse impacts on environmental justice communities. However, EPA is concerned about the approach used to assess the project's environmental justice impacts. In particular, the FEIS did not appear to address all of the potential communities of environmental justice concern in the vicinity of the proposed Sparrows Point terminal or along the route of the LNG pipeline. For example, the Dundalk and Edgemere communities, while appearing to have met the screening criteria used to identify the Turner

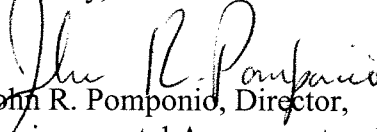


Station community, do not appear to have been factored into the analysis. As a result, the environmental justice analysis presented in the FEIS may not fully reflect the views and concerns of all the potentially affected communities. As FERC evaluates environmental justice issues in the future, in addition to using demographics to identify areas of environmental justice concern, we recommend that FERC also consider and evaluate potential and actual sources of exposure, proximity to sources of concern, community health and environmental burdens, and community access to information. In addition, a comprehensive environmental justice evaluation should include a meaningful site-specific community involvement strategy.

We would also like to emphasize that we will continue to coordinate with the US Army Corps of Engineers (Corps) in their review of AES's application for permits under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899. We share many of the concerns raised by the Corps, as outlined in their comment letter on the Final EIS (Gaffney-Smith, Margaret E. (U.S. Army Corps of Engineers, Baltimore District) Letter to: Kimberly D. Bose, Secretary, FERC; January 6, 2009)).

Thank you for the opportunity to provide these comments. Please feel free to contact me or Kevin Magerr at (215) 814-5724, if you wish to discuss these comments further.

Sincerely,

  
John R. Pomponio, Director,  
Environmental Assessment and  
Innovation Division

